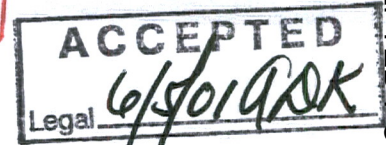


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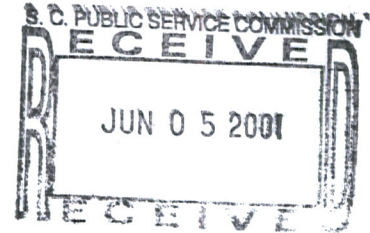
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BEFORE

THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA



Docket No. 2001-113-C



Re: Application of McLeodUSA Telecommunications Service )  
Inc. to Amend Its Certificate of Public Convenience and )  
Necessity to Expand Its Authority to Provide Resold )  
and Facilities-based Local Exchange Telecommunications )  
Services and Facilities-based Interexchange Services in the )  
State of South Carolina )

**STIPULATION**

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and McLeodUSA Telecommunications Service, Inc. ("McLeodUSA") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose McLeodUSA's Application. SCTC and McLeodUSA stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to McLeodUSA, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. McLeodUSA stipulates and agrees that any Certificate which may be granted will authorize McLeodUSA to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. McLeodUSA stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

RETURN DATE: *OK QSK*  
SERVICE: *OK QSK*

4. McLeodUSA stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until McLeodUSA provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, McLeodUSA acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. McLeodUSA stipulates and agrees that, if McLeodUSA gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then McLeodUSA will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. McLeodUSA acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and McLeodUSA, and this Stipulation in no way suspends or

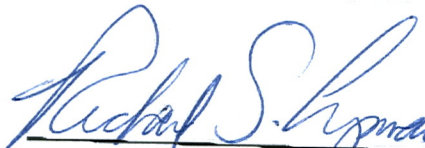
adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. McLeodUSA agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

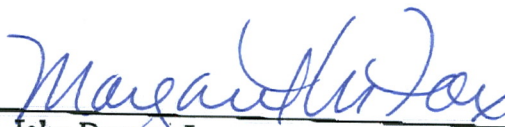
9. McLeodUSA hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 17 day of May, 2001.

McLeodUSA Telecommunications Service, Inc.:

  
Richard S. Lipman  
Assistant General Counsel  
McLeodUSA

South Carolina Telephone Coalition:

  
M. John Bowen, Jr.  
Margaret M. Fox  
McNAIR LAW FIRM, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
(803) 799-9800

Attorneys for the South Carolina Telephone Coalition

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

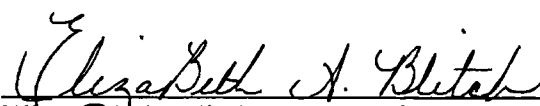
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Services and Facilities-based Interexchange Services in the )  
State of South Carolina )

**CERTIFICATE OF  
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Grace R. Chiu, Esquire  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W.  
Suite 300  
Washington, S.C. 20007-5116.

  
ElizaBeth A. Blich, Legal Assistant  
McNAIR LAW FIRM, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
(803) 799-9800

June 5, 2001

Columbia, South Carolina